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C O N F I D E N T I A L SECTION 01 OF 04 KINGSTON 002680

SIPDIS

STATE FOR EAP/CM KAYE LEE; WHA/PCP JEFF BISCHOFF; AND
WHA/EPSC LAWRENCE GUMBINER

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TAGS: [ECON](#) [PREL](#) [ETRD](#) [ETTC](#) [EINV](#) [ENRG](#) [PHUM](#) [CH](#) [JM](#)

SUBJECT: PRC ACTIVITIES IN JAMAICA

REF: A. SECSTATE 138041

[B](#). SECSTATE 143649

[C](#). KINGSTON 00386

Classified By: CHARGE Thomas C. Tighe, for reasons 1.4 (b) and (d).

[1](#). (U) This message responds to Ref A Tasking. Post regrets the lateness of submission.

Overview

[2](#). (SBU) It is not surprising that both economic and political calculations underlie the GOJ's efforts to enhance ties with the People's Republic of China (PRC), while Beijing seems interested more in the economic aspects of the relationship. To the extent he has political principles, Prime Minister Patterson looks to steer as "independent" a course in foreign policy by enhancing ties with Beijing and Venezuela (and maintaining cordial relations with Cuba) as a means of counterbalancing Jamaica's heavy reliance on, inter alia, tourists, remittances, cultural influences, disaster and counternarcotics assistance from the U.S. Though the GOJ also views Chinese investment in Jamaica as an important source of employment opportunities, it has not taken advantage of the momentum created by the February 2005 China-Caribbean Economic Trade Cooperation Fair and Forum nor other investment opportunities the Chinese have offered. The GOJ and PRC enjoy very good bilateral relations, but for now, only the PRC appears poised to capitalize on the relationship.

[3](#). (U) Jamaica became independent in 1962, and Kingston and Beijing established full diplomatic relations in 1972. Unofficial ties, however, pre-date that development by more than a century, as the first Chinese immigrants arrived in Jamaica as indentured servants in 1854. Jamaicans of Chinese descent have periodically faced backlash and/or heightened resentment from other Jamaicans. Today, ethnic Chinese make up only about one percent of the population but they play a significant role in Jamaica's economy. Though it is still not uncommon to hear other Jamaicans refer off-handedly to Jamaicans of Chinese descent with unfortunate terms such as "Mr. Chin", "Chineyman" or "Chinaman", Chinese-Jamaicans (and their "Jamaican-ness") are now widely accepted.

Jamaica Looks to Tap into China's Economic Boom

[4](#). (SBU) In February 2005, amid great (Jamaican) fanfare, a high-level Chinese trade delegation visited Jamaica touting mutually beneficial - though largely unspecified - trade opportunities (Ref C). Prime Minister P.J. Patterson announced that Beijing had named Jamaica an "approved destination" for Chinese tourists, raising the tantalizing prospect of throngs of sun-seeking, money-spending Chinese visitors arriving to help boost the island's tourism sector. Privately, however, local business sector contacts reacted with skepticism, noting that Jamaica is unprepared to accommodate any significant number of Chinese tourists due to a lack of Mandarin linguistic capacity, as well as general unfamiliarity with Chinese needs and preferences. Beijing has provided a Mandarin language lab to the University of the West Indies, and a Beijing-funded language instructor reportedly is being arranged.

[5](#). (C) According to Courtenay Rattray, Director for Bilateral Affairs at the Ministry of Foreign Affairs and Foreign Trade (MFAFT), Beijing's interest in Jamaica centers mainly on the Port of Kingston as a potential trans-shipment hub for Chinese goods. With nine percent economic growth undergirding China's ascent as an economic power, he said, Beijing seeks a geographically centralized point of access to the Western Hemisphere for its cargo ships and goods. Both Jamaica and China would benefit from Chinese interest in Jamaica as a trans-shipment point. Rattray observed that the Port Authority of Jamaica (PAJ) has made great strides in modernizing its operations and in positioning itself as an attractive hub. China, he continued, provided several large gantry cranes to the PAJ as part of the latter's upgrade process.

16. (C) In recent years, the GOJ initiated several unsuccessful efforts to rehabilitate Jamaica's dilapidated, colonial-era railroad system, which had been allowed to fall into utter disrepair and which ceased operations in the mid-90s. The system requires a complete overhaul, and the Patterson administration opened talks with the Chinese government, the Jamaican Railroad Corporation (JRC) and Jamaica's National Commercial Bank (NCB) to re-establish passenger rail service between Kingston and May Pen, Clarendon. A team of Chinese railroad engineers recently visited Jamaica to conduct feasibility studies. In addition to infrastructural investment, the railroad rehabilitation project would probably also require Chinese rolling stock.

GOJ Struggles to Capitalize on Investment Opportunities

17. (C) Dalton Yap, President of Jamaica's Chinese Benevolent Association (CBA) and a member of the Prime Minister's twenty-person delegation that visited China in July, 2005 for the opening of Jamaica's new embassy in Beijing, described the visit to China as "extraordinary", and claimed that the GOC "really rolled out the red carpet." Yap stated that although the visit went well and Chinese investment in Jamaica is welcomed by the GOJ, the GOJ has been slow to take advantage of the opportunity. He lamented that the PRC is getting much more out of this relationship and stated that "We should not fool ourselves. We know the Chinese want one thing, and that's why they're here. The sourcing of raw materials, mainly bauxite."

18. (C) Yap explained that the Prime Minister has two main projects that are close to his heart and that he specifically asked President Hu Jintao for assistance: the redevelopment of downtown Kingston and "telemedicine" (Note: Yap described telemedicine as the ability for patients to receive a clinical diagnosis remotely from a licensed nurse. End note.) Yap expressed, however, serious reservations about the GOJ's ability to make the most of the relationship with the PRC and the PM's ability to lobby successfully for the funding needed to see the two projects through. Yap noted that of all the projects that have been discussed between the GOJ and PRC, his view is that the telemedicine project is the least feasible for Jamaica.

19. (C) Referring to the February 2005, China-Caribbean Economic Trade Cooperation Forum and Trade Fair, Yap stated that at that time Jamaica had "China fever", and projects such as the rehabilitation of the island's railway system, a feasibility study for further development of the transshipment terminal, a language laboratory as well as sports complexes received much publicity, and were touted as opportunities that would provide employment for Jamaicans. Yap stated that to date, most, if not all projects have been put on hold. In addition, he commented that the GOJ does not have a "strategy or plan" as to the way forward and that no one within the GOJ is "responsible" for any of the projects. He stated that as a businessman, he could not understand how a government functions without having someone responsible for following through on such important opportunities.

The Chinese Population in Jamaica

110. (C) Despite the PRC's certification of Jamaica as an approved tourist destination for its nationals, Yap contended the GOJ and the private sector have no idea how to entice the Chinese to travel to Jamaica. He stated that not only is there a language and food barrier, but no research has been done or is even being contemplated to determine exactly what the Chinese want in a tourist destination. Yap also said that he expressed his concerns to Prime Minister Patterson and China's Vice-Minister of Tourism about issuing Jamaican visas to Chinese citizens. Yap warned that illegal Chinese migrants were already a problem, contributing to a high level of fraud and straining Jamaica's poor immigration controls, creating what he described as a "recipe for disaster." Labor Minister Horace Dalley told Poloff separately that Chinese immigrants to Jamaica tend to come from Hong Kong, rather than mainland China. He said that individuals are generally able to secure genuine visitor's visas by presenting valid credentials at the Jamaican Consulate in Hong Kong. However, he suspected that those credentials - a healthy bank account, for example -- might be shared by many individuals, and used repeatedly to support visa applications by intending immigrants.

111. (C) According to Dalley, there is a problem with illegal Chinese migration. In particular, he said that Chinese nationals often arrive in Jamaica with valid visitor's visas, but then remain in the country illegally. In some cases, he said they marry Jamaicans of Chinese descent to gain Jamaican citizenship. He further speculated that many Chinese then apply for visitor's visas to travel to (and remain in) the U.S. Dalley characterized the situation as beyond the

control of the GOJ. He said that raids by immigration authorities might be a solution, but implied that this was highly unlikely, presumably due to resource constraints.

112. (C) The CBA's Dalton Yap observed that Chinese-speaking immigrants have distanced themselves from the Chinese-Jamaican community and that this was due to the perception that third and fourth generation Chinese in Jamaica have largely assimilated into Jamaican society, with many unable to speak any Chinese. Yap admitted that the CBA has not been successful in reaching out to Chinese-speaking immigrants and claimed this was due to the small number of volunteers that work at the CBA. Most of the services that the CBA provides to these immigrants are translation/interpretation services when immigrants need to appear in court.

Military Ties

113. (C) The Jamaica Defense Force (JDF) is immensely proud of its heavily British military DNA, and most JDF train in the U.K. as cadets at the Royal Military Academy, Sandhurst, or at the Royal Marine officers course at Lympstone. Later in their careers, many of these same JDF officers attend staff courses or other specialized training in the U.S. U.K., or Canada, and the JDF receives considerable amounts of equipment from all three countries. Given these historical links, the JDF officer corps tends to display a solidly pro-Western (while still nationalist) orientation - even as the prevailing political winds of successive national governments shifted from the headiness of the early independence period, to the "democratic socialism" of the 1970's, to the largely pro-U.S. orientation of the early-to-mid 1980's, to today's "independent" orientation with its grudging acceptance (and thinly veiled resentment of) U.S. influence, while courting partners in the developing world. In recent years, the GOJ's reluctance to conclude an Article 98 Agreement with the USG appears to have prompted the JDF leadership to look to build military links to China in the event the USG were to cut off or reduce military assistance upon which the JDF is heavily dependent. Rear Admiral Hardley Lewin, JDF Chief of Staff, recently made a trip to China on the PRC dime, and the JDF recently sent its first officer to attend staff college in China.

114. (C) The PRC's military assistance to Jamaica has generally come in the form of funds to purchase uniforms and equipment. In December 2002, the PRC provided a grant of J\$11.7 million (USD 240,000) for the procurement of military logistics including uniforms. Another agreement signed in November 2004 granted aid to the JDF in the amount of USD 362,000 for the procurement of additional uniforms, teaching aids and tents. DATT notes that given the JDF's traditionally pro-Western doctrinal and supply orientation, from a logistical standpoint, diversifying from the predominately western military equipment would prove cumbersome and costly in the long run. China currently does not have a military attach assigned to Jamaica, although the Chinese ambassador has mused to emboff that one could be assigned.

Jamaican Trade with China, January - September 2004

115. (SBU) Figures from the Statistical Institute of Jamaica show that Jamaica-China trade from January through September 2004 (the most recent period of comprehensive figures available) is largely in China's favor.

FOOD

Imports: 1,540,763. Domestic Exports: 1,848.
Re-exports: 0. Balance of Trade: -1,538,915.

BEVERAGES/TOBACCO

Imports: 0. Domestic Exports-0.
Re-exports: 0. Balance of Trade: 111,400,561.

CRUDE MATERIALS (EXCLUDING FUELS)

Imports: 148,869. Domestic Exports: 111,549,430.
Re-exports: 0. Balance of Trade: 111,400,561.

MINERAL FUELS

Imports: 361. Domestic Exports: 0.
Re-exports: 0. Balance of Trade: -361.

VEGETABLE OILS/FATS

Imports: 2,098. Domestic Exports: 0.
Re-exports: 0. Balance of Trade: -2,098.

CHEMICALS

Imports: 3,653,705. Domestic Exports: 6,343.
Re-exports: 20,782. Balance of Trade: -3,626,580.

MANUFACTURED GOODS

Imports:1 9,546,228. Domestic Exports: 53,319.
Re-exports:0. Balance of Trade: -19,492,909.

MACHINERY/TRANSPORT

Imports: 17,787,311. Domestic Exports: 0.
Re-exports: 0. Balance of Trade: -17,787,311.

MISCELLANEOUS MFG. ARTICLES

Imports: 28,886,482. Domestic Exports: 19,583.
Re-exports: 6,336. Balance of Trade: -28,860,563.

OTHER

Imports: 0. Domestic Exports: 0.
Re-exports: 0. Balance of Trade: 0.

TOTAL

Imports: 71565,817. Domestic Exports: 111,630,523.
Re-exports:2 7,118. Balance of Trade: 40,091,824

Comment

16. (C) While the GOJ and PRC continue to enjoy a good bilateral relationship that is reinforced by high-level diplomatic exchanges, for now the GOJ seems largely incapable of mobilizing its efforts to take advantage of the resources and projects that the Chinese have offered. Most of the assistance China has provided has been publicly visible; however, the GOJ may not be capable of deriving any economic benefits. The GOJ and the country's private sector understand the investment and assistance possibilities created by China's ascent as an economic power and the recent opening of Jamaica's first embassy in Beijing is concrete testament to this reality. Without better coordination of its efforts to exploit the opportunities offered by Beijing, the GOJ risks losing out on the trade and investment opportunities it cites as the pay-offs for closer ties with Beijing. That said, and despite current shortcomings on the GOJ side, we would expect Jamaica increasingly will "get its act together" to benefit more from improved relations with China. Post is unable to determine at this time the social impact of China's assistance. End Comment.

VALDEZ